

EXHIBIT 1

INTRODUCTION

Respondent Italian Center, Inc. is a California corporation located in San Gabriel, California.

In 2002, during the second semi-annual campaign reporting period of July 1, 2002 through December 31, 2002, Respondent made \$10,000 in political contributions, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required by the Act to file a semi-annual campaign statement, commonly known as a “major donor statement,” disclosing its contributions during the period July 1, 2002 through December 31, 2002, by January 31, 2003.

In this case, Respondent failed to timely file a semi-annual campaign statement disclosing the campaign activity of Respondent by the January 31, 2003 due date, thereby committing a violation of the Act.

For the purposes of this stipulation, Respondent’s violation is stated as follows:

Respondent Italian Center, Inc. failed to file a semi-annual campaign statement by January 31, 2003, for the reporting period July 1, 2002 through December 31, 2002, in violation of section 84200, subdivision (b).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

campaign statement for any reporting period in which the committee made campaign contributions.

SUMMARY OF THE FACTS

During the second semi-annual campaign reporting period of July 1, 2002 through December 31, 2002, Respondent Italian Center, Inc. made \$10,000 in political contributions, and thereby qualified under section 82013, subdivision (c) of the Act as a major donor committee.

Failure to File a Semi-Annual Campaign Statement

Respondent Italian Center, Inc. had a duty to file a semi-annual campaign statement by January 31, 2003, for the reporting period July 1, 2002 through December 31, 2002. Respondent failed to file a semi-annual campaign statement, by January 31, 2003, in violation of section 84200, subdivision (b).

During the reporting period July 1, 2002 through December 31, 2002, Respondent made \$10,000 in contributions and failed to timely file a semi-annual campaign statement disclosing the contributions.

By failing to timely file a semi-annual campaign statement disclosing the contributions made, as set forth above, Respondent committed a violation of section 84200, subdivision (b).

CONCLUSION

This matter consists of one count, which carries a maximum possible administrative penalty of Five Thousand Dollars (\$5,000).

The typical stipulated administrative penalty for the late filing of a semi-annual campaign statement has historically ranged from \$1,000 to \$2,500 per statement. As this violation does not appear to be especially aggravated, an administrative penalty approximating the middle of that penalty range is appropriate.

The facts of this case, including the factors discussed above, therefore justify imposition of the agreed upon penalty of Two Thousand Dollars (\$2,000).